

To the Special Committee on Timber Supply

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Presentation by Kevin Bedford on behalf of Carrier Lumber Ltd.

My name is Kevin Bedford. I am a second generation registered professional forester. My father (Dave Bedford) owns and operates a forestry consulting firm here in northern British Columbia. Some of you may know my uncle Lorne Bedford who works for the Ministry of Forest Lands and Natural Resource operations in Victoria as the Harvesting and Silviculture Practices Manager.

I grew up just north of Lac La Hache in the Cariboo and I started working in the industry when I was 11 (I missed expo 86 to work on a timber cruising crew near the Likely BC). When I graduated from university in 1997, I took a job working with West Chilcotin Forest Products in Anahim Lake and I worked there for 4 years before coming to Prince George to work for Carrier Lumber where I have been for the past 12 years.

Carrier Lumber is a local family owned company that has been in operation in the Prince George area for the past 61 years. The company was started by the late William Kordyban Senior and is now run by his son William Kordyban Junior. Over the years, the company has had various other forestry related investments in other communities in the northern part of British Columbia but the base has always been here in Prince George. Their head office is in Prince George, their investment is in the Prince George community and their desire is to continue that investment in the people of the community. The company currently operates a single milling facility here in Prince George and a single milling facility in Prince Albert, Saskatchewan.

I have a couple of points that I would like to cover in the next few minutes:

Point #1: Thank you to the committee

When I left West Chilcotin Forest Products, it was a thriving operation that drove the local economy. The evidence of the impact of that facility and the jobs it created was literally everywhere. The young people in the community were finding jobs in the community and there was hope. I don't want to paint the picture that the community was panacea, there were issues as there will be within any community. The economic down turn of 2008 forced the closure of the facility till markets returned but the long term impact as a result of the mountain pine beetle will likely mean that the facility will not re-open as a long term sustainable operation. The timber supply in that location was 75-85% over mature pine so the impacts are particularly acute and difficult to overcome. I was back in the community last summer to visit some friends and the impact of that mill closure cannot be overstated. Businesses are closed, homes are in dis-repair, many people have moved away. It is that reality that faces many of the small forestry based communities in the interior of the province and it what makes your work as a committee

so critically important. So my first point is to say thank you to all of you for taking the challenge that this mandate sets before you. I will pray for you all in that work.

Point #2: Opportunity of an area based tenure of 250,000m³/yr

The concept that I would like to put before you is not one that will solve all of the issues but hopefully it can form a part of the solution of mitigating the impacts of the mountain pine beetle to timber supply. We believe that part of the solution is to allow each holder of a replaceable forest license to apply for or convert up to 250,000m³/year of their allowable harvest into a new area based tenure (TFL).

Over the last several years, I have had the opportunity to work as the silviculture forester for Carrier Lumber Ltd. and the mandate from the company was to manage to a high standard of forest stewardship. Planting densities were set well above the legal minimums and very often our harvested blocks would achieve free to grow before the legal early free to grow dates. The owners of Carrier do this because of their sense of ownership of this landbase. That sense of ownership does not come from any legal right or any incentive made available through their current volume based forest license. To them, it is simply important to them to manage the landbase with a high standard of forest stewardship. Even with this attitude more could be done if there was security of tenure on the landbase. Our current volume based forest license system provides no incentive to do any form of enhanced forest management for the industry beyond what is legally required as there is no security that the licensee will accrue any of the benefits of the enhanced forest management. On the landbase that Carrier works on this could include activities such as higher planting densities, rehabilitation of roads, rehabilitation of intermediate utilization stands and rehabilitation of non-merchantable pine stands that have been impacted by the mountain pine beetle.

We can see through the results of the enhanced forest management work done on TFL 53 that this approach can work on a small landbase. When originally issued in 1989 the AAC on this TFL was 159,000m³/yr. By the time the mountain pine beetle hit, the AAC had increased to 211,000m³/yr. Now that the pine has been addressed on the TFL the AAC is still 189,000m³/yr. The post mountain pine beetle AAC is still 19% higher than it was when it was originally issued. The stands and the growing potential on TFL 53 is the same as on many of the areas within the Quesnel and Prince George TSA's. This is a real life example of an opportunity to grow the AAC. It is also the strongest argument I can put forward for providing security to a licensee through an area based tenure.

The volume target is also important. Under Bill 28 legislation where the crown re-allocated the AAC throughout the province and took back some of the volume from the forest license holders. They realized that in order to provide stability to all of the licensees, a portion of the volume from each licensee must be protected. We feel that by allowing a licensee the ability to roll up to 250,000m³/yr of their replaceable volume into an area based tenure, the stability that was determined to be necessary in the rationale for the Bill 28 is maintained. This volume will not meet the entire need of most milling facilities but it will form the basis for their long term stability. As well, these areas could see an increase in AAC within the foreseeable future providing additional stability for the long term.

The other thing that the proposed volume target provides is that it intentionally does not alienate the entire landbase in area based tenures. It only places a portion of the landbase in tenures that have the potential for this enhanced forest management. We believe that there are simply too many pressures on the landbase from various groups particularly First Nations to hope that there could be a wholesale move to an area based forest tenure system. We don't believe that there will be a one size fits all solution. We also do not believe that this will solve the mid-term timber supply issue. At some point, the mid-term timber supply issue will dramatically impact the industry as a whole. That is assumed. This proposal simply provides the means to grow the AAC on a portion of the landbase and provide somewhat of a mitigating force on that portion.

One final point of note on this issue is that of First Nations. I believe that in the current state with First Nations, they are going to have to be aware and have a vested interest in whatever solutions are formulated in order for the process to succeed. What form that takes is going to have to be determined by smarter people than me. It may be very difficult to make large scale landbase commitments as a part of this process since most of the treaty processes are not yet complete so perhaps the solution includes enhanced revenue sharing.

In closing I wish you all the best as you consider this proposal and the others that you have and will hear.

Kevin Bedford